

provisions in a TIA that addresses foreign access to technology developed under the TIA.

(b) A provision must provide, as a minimum, that any transfer of the technology must be consistent with the U.S. export laws, regulations and the Department of Commerce Export Regulation at Chapter VII, Subchapter C, Title 15 of the CFR (15 CFR parts 730–774), as applicable.

(c) A provision should also provide that any products embodying, or produced through the use of, any created intellectual property, will be manufactured substantially in the United States, and that any transfer of the right to use or sell the products must, unless the Government grants a waiver, require that the products will be manufactured substantially in the United States. In individual cases, the contracting officer, with the approval of the program official and intellectual property counsel, may waive or modify the requirement of substantial manufacture in the United States at the time of award, or subsequent thereto, upon a showing by the recipient that:

(1) Alternative benefits are being secured for the United States taxpayer (*e.g.*, increased domestic jobs notwithstanding foreign manufacture);

(2) Reasonable but unsuccessful efforts have been made to transfer the technology under similar terms to those likely to manufacture substantially in the United States; or

(3) Under the circumstances domestic manufacture is not commercially feasible.

**FINANCIAL AND PROGRAMMATIC
REPORTING**

§ 603.880 Reports requirements.

A TIA must include requirements that, as a minimum, provide for periodic reports addressing program performance and, if it is an expenditure-based award, business/financial status. The contracting officer must require submission of the reports at least annually, and may require submission as frequently as quarterly (this does not preclude a recipient from electing to submit more frequently than quarterly the financial information that is required to process payment requests if

the award is an expenditure-based TIA that uses reimbursement or advance payments under § 603.810(a)). The requirements for the content of the reports are as follows:

(a) The program portions of the reports must address progress toward achieving performance goals and milestones, including current issues, problems, or developments.

(b) The business/financial portions of the reports, applicable only to expenditure-based awards, must provide summarized details on the status of resources (federal funds and non-federal cost sharing), including an accounting of expenditures for the period covered by the report. The report should compare the resource status with any payment and expenditure schedules or plans provided in the original award; explain any major deviations from those schedules; and discuss actions that will be taken to address the deviations. The contracting officer may require a recipient to separately identify in these reports the expenditures for each participant in a consortium and for each programmatic milestone or task, if the contracting officer, after consulting with the program official, judges that those additional details are needed for good stewardship.

§ 603.885 Updated program plans and budgets.

In addition to reports on progress to date, a TIA may include a provision requiring the recipient to annually prepare an updated technical plan for future conduct of the research effort and a revised budget if there is a significant change from the initial budget.

§ 603.890 Final performance report.

A TIA must require a final performance report that addresses all major accomplishments under the TIA.

§ 603.895 Protection of information in programmatic reports.

If a TIA is awarded under the authority of 42 U.S.C. 7256(g) (*i.e.*, it is a type of assistance transaction “other than” a contract, grant or a cooperative agreement), the contracting officer may inform a participant that the award is covered by a special protected data statute, which provides for the

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protection from public disclosure, for a period of up to 5 years after the date on which the information is developed, any information developed pursuant to this transaction that would be trade secret, or commercial or financial information that is privileged or confidential, if the information had been obtained from a non-Federal party.

§ 603.900 Receipt of final performance report.

The TIA should make receipt of the final report a condition for final payment. If the payments are based on payable milestones, the submission and acceptance of the final report by the Government representative will be incorporated as an event that is a prerequisite for one of the payable milestones.

RECORDS RETENTION AND ACCESS REQUIREMENTS

§ 603.905 Record retention requirements.

A TIA must require participants to keep records related to the TIA (for which the agreement provides Government access under § 603.910) for a period of three years after submission of the final financial status report for an expenditure-based TIA or final program performance report for a fixed-support TIA, with the following exceptions:

(a) The participant must keep records longer than three years after submission of the final financial status report if the records relate to an audit, claim, or dispute that begins but does not reach its conclusion within the 3-year period. In that case, the participant must keep the records until the matter is resolved and final action taken.

(b) Records for any real property or equipment acquired with project funds under the TIA must be kept for three years after final disposition.

§ 603.910 Access to a for-profit participant's records.

(a) If a for-profit participant currently grants access to its records to the DCAA or other Federal Government auditors, the TIA must include for that participant the standard access-to-records requirements at 10 CFR

600.342(e). If the agreement is a fixed-support TIA, the language in 10 CFR 600.342(e) may be modified to provide access to records concerning the recipient's technical performance, without requiring access to the recipient's financial or other records. Note that any need to address access to technical records in this way is in addition to, not in lieu of, the need to address rights in data (see § 603.845).

(b) For other for-profit participants that do not currently give the Federal Government direct access to their records and are not willing to grant full access to records pertinent to the award, the contracting officer may negotiate limited access to the recipient's financial records. For example, if the audit provision of an expenditure-based TIA gives an IPA access to the recipient's financial records for audit purposes, the Federal Government must have access to the IPA's reports and working papers and the contracting officer need not include a provision requiring direct Government access to the recipient's financial records. For both fixed-support and expenditure-based TIAs, the TIA must include the access-to-records requirements at 10 CFR 600.342(e) for records relating to technical performance.

§ 603.915 Access to a nonprofit participant's records.

A TIA must include for any nonprofit participant the standard access-to-records requirement at:

(a) 10 CFR 600.242(e), for a participant that is a State or local governmental organization;

(b) 10 CFR 600.153(e), for a participant that is a nonprofit organization. The same requirement applies to any GOCO or FFRDC, even though nonprofit GOCOs and FFRDCs are exempted from the definition of "recipient" in 10 CFR 600.101.

TERMINATION AND ENFORCEMENT

§ 603.920 Termination and enforcement requirements.

(a) *Termination.* A TIA must include the following conditions for termination: